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C O N F I D E N T I A L SECTION 01 OF 02 CANBERRA 000963

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TAGS: [AS](#) [EAID](#) [EFIN](#) [PK](#)
SUBJECT: AID TO PAKISTAN ON SCHEDULE

REF: SECSTATE 108183

Classified By: Political and Economic Counselor Edgard Kagan for reasons 1.4 (b)(d)

11. (C/NF) SUMMARY: At the Tokyo Donor's Conference Australia announced the doubling of its aid to Pakistan. A significant portion of the promised aid has already been dispersed. Australia is on pace to fulfill its obligation by 2011, but has declined to provide budget support to Pakistan's government. Like Australia's military mission in Afghanistan, aid programs in Pakistan are targeted in specific geographic and subject areas. This appears to be the government's preferred model for international development assistance. END SUMMARY.

Aid Doubled in Tokyo

12. (C) During the Tokyo Donors' Conference, Australia doubled its commitment for 2009-10 and 2010-11 to a total of \$111 million (\$120 million Australian). The increase is driven by investments in programs focusing on maternal, newborn, and child health along with primary education. Prior to the conference, Australia had already committed approximately \$27 million in aid to Pakistan for this fiscal year. Pakistan Section Director Jane Lambert of the Department of Foreign Affairs and Trade stressed that the additional spending announced in Tokyo is entirely new, and indicated that she believes other countries may have simply "rebadged" existing aid programs. The \$111 million figure represents the entire Australian aid program to Pakistan.

13. (C) The boundaries of Australia's aid programs are very well defined. Geographically, Australian aid to Pakistan is focused on Balochistan, a province on the Afghan border. Australian aid throughout the rest of the country is limited to a few specific sectors. The largest aid efforts have

focused on primary education, agriculture, and prenatal and early childhood health. This follows the pattern set by the Australian military in Afghanistan, where Afghanistan's military force is almost entirely committed to missions in one province. Lambert says that this is by design. Australia has chosen to focus aid efforts on areas where it sees a need and believes it can make a measurable difference.

Dispersal On Track

¶4. (C/NF) Australia is on track to meet all of its obligations to Pakistan by June 2011 (the end of the Australian fiscal year) according to Australian Agency for International Development's (AusAID) Pakistan Country Director Nadira Mailewa. Of the \$54 million pledged for 2009-10 at the Tokyo Donors Conference, nearly all has already been disbursed or committed to a specific program. Qalready been disbursed or committed to a specific program. According to Lambert, a significant portion of the money for 2010-11 has already been committed as well. Under the Australian system, money for foreign aid must be assigned to a specific project well in advance. While Lambert says this means that Pakistan can be confident in the timely dispersal of Australian aid, she also believes it hinders the aid program's flexibility at times.

No Direct Aid To Pakistani Government

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¶5. (C/NF) None of Australia's aid to Pakistan is given directly to the Pakistani government. Lambert noted that the non-paper (reftel) urged countries to disburse their pledges for direct budget support to the Pakistani Government, but Australia has made no such pledges. The full \$111 million pledged was for programs run either through international organizations, NGOs or in a few cases directly by AusAID.

¶6. (C/NF) Lambert realizes that Pakistan would prefer that money be given to the government, but said Australia is unwilling to do so. AusAID's Mailewa said that the decision was made not to donate directly to the government because Australia is not convinced that the Pakistani system has the capacity to absorb all of the money and distribute it properly. She also said that mechanisms for monitoring and evaluation, required by Australian law, are in place with all existing programs, but would be impossible were the money given to the government directly. Both Lambert and Mailewa emphasized that there had been close consultation with the Pakistani government while developing the aid program.

Keep "Friends" Separate from Donors

¶7. (C/NF) Lambert worried that the Friends of a Democratic Pakistan (FODP), of which Australia is a founding member, was in danger of becoming a perpetual donor organization. She stressed the need to keep the FODP delinked from donor activities like the Tokyo Donors' Conference. However, she did believe that the FODP should play a greater role in donor coordination and tracking, noting that some countries like China and Saudi Arabia have given huge amounts of aid to Pakistan with virtually no international accounting of where the aid money went.

A Pattern Emerging

¶8. (C/NF) COMMENT: Australia has strictly defined their role in Pakistan both geographically and by sector. Given limited resources, Australia has chosen to be a major player within specific subjects and regions rather than have a more limited impact on a broader range of issues. This strategy allows

Australia to have a more tangible impact on Pakistan's development, making it easier to sell aid programs to the public and empowering the government. The similarity of the civilian efforts in Pakistan to the military model in Afghanistan suggests that this specialization is emerging as a favored model for Australia's international involvement.
END COMMENT.

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